

UMVOTI MUNICIPALITY



FINAL BUDGET 2020/2021

EXECUTIVE SUMMARY FOR UMVOTI MUNICIPALITY FOR THE 2020/2021 FINAL BUDGET

The following is the executive summary for the Final Medium Term Revenue and Expenditure Framework as prepared and tabled by the Chief Financial Officer.

1. DEFINITIONS

“Final budget”-Prescribed in Section 16 of the MFMA, the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

“Allocations”-Money received from Provincial or National government or other Municipalities.

“AFS”-Annual Financial Statements

“Assessment Rates”-Local Government Tax based on the assessed value of property. To determine the rates payable, the assessed ratable value is multiplied by the rate in the rand.

“Budget”-The financial plan of the Municipality

“Budget Related Policy”- policy of a municipality affecting or by the budget, examples include tariff policy, rates policy and credit control policy.

“Capital expenditure”- spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance.

“CRR”- Capital Replacement Reserve- a cash reserve set aside for future capital expenditure.

“Cash Flow Statement”- A statement showing when actual cash will be received and spend by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example when the Municipality receives an invoice it is shown as expenditure in the month, it is received, even though it may not be paid in the same period.

“CFO”-Chief Financial Officer.

“DORA”-Division of revenue Act, an annual legislation that shows the total allocations made by National to Provincial and local Government.

“Equitable Share”- A general grant paid to municipalities. It is predominantly targeted to help with free basic service.

“FFC”- Financial and fiscal commission.

“Fruitless and wasteful expenditure”- Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

“GFS”- Government Finance Statistics, an internationally recognized classification system that facilitates for like comparison between municipalities.

“GRAP”: Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

“IDP”: Integrated Development Plan, the main strategic planning document of the Municipality.

“MFMA”: The Municipal Finance Management Act- No 53 of 2003, the principle piece of legislation relating to municipal finance management.

“MTREF”-Medium Term Revenue and Expenditure Framework, a medium term financial plan usually 3 years based on a fixed first year and indicative further two years budget allocations and also includes details of the previous three years and current years financial position.

“MPAC”-Municipal Public Accounts Committee.

“NT”: National Treasury

“Net Assets”: Net assets are the residual interest in the assets of the entity after deducting all its liabilities, meaning the net assets of the municipality equates to the net wealth of the Municipality, after all assets were sold/recovered and all liabilities paid. Transactions, which do not meet the definition of Revenue or expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

“Operating Expenditure”: Spending on the day-to-day expenses of the municipality such as salaries and wages and general expenditures.

“R&M”: Repairs and Maintenance on property, plant and equipment.

“SDBIP”: Service Delivery and Budget Implementation Plan: A detailed plan comprising quarterly performance targets and monthly budget estimates.

“Strategic Objectives”: The main priorities of the municipality as set out in the IDP; budgeted spending must contribute towards the achievement of the strategic objectives.

“SCM”: Supply Chain Management

“Unauthorized Expenditure”: Generally is spending without, or in excess of an approved budget.

“Virement”: A transfer of Budget

“Virement Policy”: The policy that sets out the rules for the budget transfers. Virements are normally allowed within a vote. Council must agree transfers between votes through an adjustment budget.

“Vote”: One of the main segments into which a budget is divided. In Umvoti Municipality this meant at a directorate level

PART 1: ANNUAL BUDGET

SECTION 1: Mayor's Report

Today I present to the Executive Committee and later to the Umvoti Council the 2020/2021 final budget and final IDP review for 2020/21 that will be tabled to Council on 30 June 2020. This included a review of the Integrated Development Plan ("IDP") and sector master plans of the municipality. This was done with the purpose of identifying material matters that could impact on the long term financial sustainability of the municipality as well as to inform proposals regarding future policy directions.

This final budget is significant in many ways, firstly in that it is the final budget for the current term of office for us as sitting Councilors. Not only so, it is the final budget that the current sitting council will collectively preside over and which will serve as the ultimate yard stick of the extent to which we as the Council Collective have managed to deliver on our primary and core mandate of the delivery of basic services to all our people thereby facilitating the realization of the promise of a better life for all.

As previously stated in the foreword, which featured in the annual report it has been almost 5 years since I took my oath of office as the Mayor of Umvoti Municipality within that time numerous gains and awards have been amassed for the people of Umvoti Municipality. I am however mindful of the fact that all of those would never have been attainable outside the support and cooperation of the Council collective supported by the administration. It is with the above in mind that I confidently assert that indeed all that we have been able to achieve the past financial periods is a culmination of the collective efforts of us all. I also remain confident that the last few months that remain for us as leaders in office will be approached with the greatest of dedication and commitment more so as we embrace the notion that we do not stop working simply because it is our last year in office. It is with this notion in mind that during the Budget Steering Committee meetings that I have presided over for this budget I advocated for the adoption of a tag line or motto, which will continuously reaffirm our dedication to this course of financially responsible leadership, the tag line of "doing more with less". This tag line was also a response to the unfavourable economic and financial climate that we presently face as a Nation as well as part of the global community.

The compilation of the 2020/2021 MTREF was a major challenge in many respects, we had a mammoth task of having to balance the budget between the limited revenue sources available against the demand to provide quality yet affordable services to our communities but of greater challenge addressing the historical infrastructure backlogs in our communities. This task had to be undertaken amidst persistent challenges of escalating high debts and declining collection rates, historic over expenditure patterns. The employee related cost wage bill remains a concerning high. Compounding to these budget challenges was the recent Covid-19 pandemic that the country is currently faced with. The balancing act between all these factors was indeed not one, which could easily be achieved.

Let me also briefly reflect on the broader economic factors that were at the helm of the compiling of the final Budget for 2020/21 which are contained in the Municipal Budget Circular 99 for the Medium Term Revenue and Expenditure Framework

- Global and National Economic outlook has been weaker than anticipated.
- Depreciation of the rand has had implications of higher prices thereby impacting on the cost of living at least in the immediate sense as well as the foreseeable future.
- Persistent high unemployment and job losses in the key sectors of the economy such as mining remains a pressing challenge.
- Covid-19 pandemic crippling the country's economy.
- It is with the above factors at the forefront of our planning processes that National Treasury has called upon both the political leadership and administration collectively to ensure an adoption of the following financial strategies when adopting their Medium term expenditure frameworks
- Containing costs in every possible way, whilst putting place measures to generate a more substantial surplus in order to supplement the National and Provincial Funding Sources
- Adopt a conservative approach in revenue projections to guard against overestimation of revenue sources.
- Ensure that all conditional grants allocated are injected in the delivery on National priorities
- Ensure that the pricing strategies phases in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time as opposed to immediately
- Ensure that tariffs of charges are as cost reflective as possible as failure to do so threatens the financial viability of the various services.
- Elimination of non-core expenditure and implementation of cost cutting measures

Taking all of the aforementioned factors into consideration it remains an undeniable reality that municipal revenues and cash flows are expected to remain under severe pressure in 2020/21 and possibly beyond should the macro-economic climate remain unfavourable. This has therefore meant we have had to adopt a conservative approach when projecting our expected revenues and cash receipts for the MTREF.

Another area of priority is that of infrastructure renewal, it continues to remain a critical component requiring our undivided attention when allocating resources, this is if ware to adequately secure the effective provision of basis services to our communities .The Budget appropriations for asset renewal as part of the capital program and operational repairs and maintenance of existing asset infrastructure remains a huge challenge to date, when considering the availability of the economic resources to address this expenditure priority. We are mindful of the fact that repairs and maintenance of municipal assets are required to ensure the continued provision of services and this has been taken into account during the drafting process of the budget. However it has to be stated upfront that we are still miles away from the 8% benchmark of the net book value of the assets as advocated by National Treasury but are gradually making headway to ensuring that the repairs and maintenance budget is given the priority it deserves.

Our consumers will again this year be negatively affected by the excessive electricity

increase approved by Nersa a decision expected to have which will have a huge negative impact on the electricity tariffs of the Municipality.

On the issue of supplementing our revenue we intend on an increased mobilization of our efforts around matters relating to the revenue enhancement strategy which aims to secure financial sustainability, this will be characterized by an aggressive revenue management framework to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to ensure that we streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection, this particular activity has to be undertaken with utmost priority in order to address the billing discrepancies that were a result of the implementation of the newly implemented financial system.

Lastly I want to conclude by thanking the community of the Umvoti municipality and all the role-players of the budget steering committee for their support and participation in the process to ensure accountability and good governance to all the people of Umvoti. As I do so I further wish to share to further remind us all that “together we stand but equally divided we fall” I thank you.

SECTION 2: EXECUTIVE SUMMARY

Operating Revenue

1. The revenue estimates on rates and refuse amount to **R46, 365,337.37** and **R10, 165,727.60** respectively. These estimates are based on past trends before the beginning of the nation-wide lockdown due COVID 19 and the subsequent economic meltdown. A significant decrease on the collection rate is expected.
2. Property rates budget has been prepared in line with the new valuation roll and past billing trends. The overall increase in rates is **6.08%** compared to the projected actual current monthly billing and **8.04%** relative to the previous year's final budget. These estimates are based on past trends prior lockdown due COVID 19 and economic slowdown. A significant decrease is expected on actual collections. Establishments such as Guests houses, bed and breakfast and businesses to certain extent had been hit hard by COVID 19 lockdown and thus will severely impacts on rates collections.
3. Penalties and interest are expected to generate a total of **R6, 252,496.27**. The proposed budget for interest earned on outstanding debtors has been set at **R3, 390,000.00**. The estimate has been revised downwards from **R4, 477,200.00** due to a freeze on interest for the duration of the lock down period. The lock down necessitated by the need to contain COVID - 19, left many consumers with less if any, income. This will further curtail the ability of consumers to settle old balances on their accounts. The balance of **R2, 862,496.27** is expected to be generated from investments.
4. Electricity revenue proposed budget amounts to **R85, 373,430.81** that is an increase of **6.22%** is as per guideline that was issued by National Energy Regulator of South Africa (NERSA). It should be noted that the **6.22%** increase is not economical in view of the current economic climate as the municipality will not be able to cover the cost of providing electricity to consumers. Relaxation of credit control measures such as electricity disconnections due COVID 19 lockdown will severely impact on electricity revenue collection.
5. The expected revenue from licenses and permits for the **2020/21** financial year has been set at **R3, 606,194.80**. Not much increase has been anticipated because of the uncertainty surrounding the level of activities during the lock down. Revenue anticipated is based on actual collections receivable.
6. The budget on other revenue amounts to **R5, 621,126.27** that is expected to be received. Other revenue represents rental facilities amounting to **R799,393.51**, sale of good (primarily timber) amounting to **R4,665,673.12**, fines amounting to **R102,715.10** and **R53,544.54** in general revenue.

There is need for the municipality to revisit all lease agreements and ensure the municipality is getting a fair return on its properties while providing a service to the residents.

The drop in timber revenue in the 2020/21 financial year is due to the contract with Bracken Timbers coming to an end. Processes are underway to contract a forestry management expert so that the municipality may be able to regenerate the plantations and reap more benefits.

Fines are difficult to estimate with certainty as the council has no control over the fines process. Budgeting for this item is based on anticipated cash receipts to avoid over expectation. This however is not in line with GRAP, which requires fines to be accounted for on accruals basis.

7. The municipality's cash collection dropped significantly as the effects of the COVID-19 induced lock down started to be felt. This situation is likely to continue with improvements expected and Lock down Levels change for the better. There are no fixed timelines for the changes in Lock down Levels hence the collections have been anticipated to be suppressed for the financial period.

The municipality has put in place a team to enhance credit control and collection, over and above the revised security arrangements and new EPWP contracts which will result in savings.

8. Transfers and subsidies – operational budget amounts to **R172,326,000.00** compared to **R134,871,000.00** for the previous financial period. These allocations are in line with both the DORA and Provincial gazettes. These grants exclude INEP, which is bound by Agency/ Principal Principles.

The municipality was allocated an additional equitable share amounting to **R27,491,000.**

9. INEP funds amounting to **R18,478,000.00** are expected based on the supplementary DORA allocations, a decrease of **R2,261,000** from the original DORA. Due to the agency/principal relationship, the INEP funds are not budgeted for as revenue.
10. Transfers and subsidies – capital has a budget of **R44,333,400.00**. This includes the gazetted amounts per 2020/21 DORA and the Sports and recreation allocation as well as the roll overs from the previous financial period.

The rollovers are expected due to reduced activities as per the Disaster Management Regulations to contain the spread of the Corona virus.

EXPENDITURE BY TYPE

11. Employee related cost; including remuneration of councilors is budgeted at **R126, 372,942.42**.

The employee related costs proposed budget amounts to **R115,631,540.48**, a proposed increase of **6.25%** which is in accordance with collective agreement. Huge salaries costs remain a challenge and adversely impacts on financial health of the municipality and depleted cash coverage ratio. Currently, salaries are at **40%** of total expenditure.

12. Remuneration for Councilors proposed budget amounts to **R10, 741,401.94**, **(6.25%)** increase.

13. Eskom Bulk purchases proposed budget is **R62, 458,338.39**. The increase is in line with the **6.9%** increment NERSA guideline. The increase in bulk purchase will attribute to enormous pressure on Council programmes. The electricity losses remain a challenge and poses as a threat on the financial sustainability of the municipality.

14. Free basic services have been allocated an amount of **R3, 497,173.92** to cater for both electricity and refuse. Electricity has been allocated **R1, 350,000.00** while refuse has been allocated **R2, 147,173.92**. Refuse was pushed up by the decision taken by council to provide 100% subsidy for refuse to qualifying consumers as well as an increase in the number of indigent customers.

15. The budget allocation for general expenses has been set at **R59, 364,012.10**. This is made up of contracted services (**R28, 617,937.91**), operational cost (**R22, 963,164.37**), inventory consumed (**R5, 564,660.00**), transfers and subsidies (**R1, 580,200.00**) and operating leases amounting to **R640, 840.96**.

These items are further broken down in accompanying schedules.

16. Inventory consumed refers to items that include prepaid meters, fuel and material to help in the fight against Corona such as sanitizers and masks.
17. Contracted services mainly constitute consultants for Timber, LED programs, repairs and maintenance, security and financial consultants. It should be noted that while Timber is expected to generate **R4,665,673.12**, the cost associated with harvesting and selling are expected to be **R3,400,000.00**. Activity on these items will largely depend on the lockdown levels.
18. Debt impairment proposed budget amounts to **R13, 419,000.00**. This is in line with the increasing debtor's book. Rising impairment indicates a greater risk of uncollectable debt going bad and towards write off. It will be noted that consumers' ability to clear their arrears has been severely affected by measures taken to contain Covid-19. The increase considers relief that consumers will have such as interest suspension in certain periods and debt arrangements.
19. Depreciation proposed budget has been set at **R33, 747,372.77** the depreciation estimates incorporates the findings made on asset conditional assessment report and the recently developed repairs and maintenance plan as well as new assets to be brought into use.

Repairs and maintenance

20. The budgeted Repairs and maintenance budget amounts to **R9, 324,340.57** and thus translates to **3.02%** of the total operating budget. The municipality acknowledges the fact that it is significantly below the recommended norm of **8%**. Once again, under budgeting on repairs and maintenance is as a result of budget constraints and the municipality is relying on the revenue enhancement programmes and applications made to COGTA for funding. The repairs and maintenance plan has been developed and requires huge funding in order to address all shortfalls identified and the funding is being sourced in that regard.

A schedule detailing the composition of repairs and maintenance has been provided in accompanying schedules.

Operating Surplus/Deficit

21. The municipality's proposed budget has a surplus of **R4, 355, 657.31** after non-cash items, i.e. Depreciation of **R33, 747,372.77**, Interest on actuarial assessments of post-employment medical aid and long service awards of **R2, 801,475.65** and Debt impairment of **R13, 419,000.00**. This surplus is not taking into consideration collection trends.
22. Average collection rate is currently standing at **76%** which is a 9 months average prior COVID – 19 lockdown and significant decrease is envisaged due to economic meltdown and reduced economic activities
23. Based on the 76% collection rate which is subject to change as the economic impact of the COVID-19 pandemic is further assessed, it indicates that the municipality may be able to collect **R327,311,077.97** from the **R374,043,713.12** that is expected to be billed and transferred from Treasury.
24. The cash surplus is thus **R7, 590,870.58** (excluding non-cash items such as depreciation, impairment and interest on post-employment benefits).

Strict forward planning and adherence to plans, managing overtime, telephone and striking a healthy balance between incentivizing payments by customers, effective and efficient billing as well as, vigorous implementation of credit control measures is expected to assist with cash flow.

Capital Expenditure and Funding

25. Financial implications for the **Capital Expenditure** are contained in the budget tables and total to **R54,703,400.00**, made up of **R35,583,000.00** MIG funded (including roll over of **R5,960,400**), **R8,750,000.00** (including roll over of **R3,000,000.00**) funded by the Sports and Recreation and **R10,370,400.00** own funds.
26. The municipality intends to cover the INEP funded project to the tune of **R4, 000,000.00** to cater for the reduction in the INEP allocation as per the revised DORA. This is to cushion the project from the impact of the reduction in funding and secure smooth completion of the project.

Funded Budgets

- 27.** The advent of COVID – 19 and subsequent lockdown substantially influenced the financial sustainability of the municipality. The budget in its current form is subject to numerous environmental factors.
- 28.** The municipality appreciates that without a fully funded budget, the municipality risks having National Treasury withholding the Equitable Share which is due in July. Hence more engagement are ought to be undertaken during consultative process.
- 29.** Expenditure has been estimated at 2% above the 4.6% CPI as per Circular 99 as we anticipate rising costs as a result of the long term impacts of the Corona virus and the resulting economic underperformance that will take a long time to reverse.

30. Budget related policies

The following policy documents were reviewed:

- a) SCM Policy
- b) Procedure manual
- c) Stores Management Policy
- d) Contract Management Policy
- e) Asset Management Policy
- f) Budget Virement Policy
- g) Credit control and debt management policy
- h) Cash Management Banking and Investment Policy
- i) Petty Cash Management Policy
- j) Tariff Policy
- k) Property Rates Policy
- l) Property Rates By-Law

Summary of changes

31. SCM Policy

- a) Adoption of circular 96 (reg. 32 awards)
- b) Reg 18 remove sub-contracting (4-7) as it is covered in detail in subcontracting

32. Procedure manual

- a) A new manual was developed with the help of Provincial treasury which details the procedures that need to be followed in SCM

33. Stores Management Policy

- a) A reorder listing should be printed monthly and reviewed by the Assistant SCM Officer (amended from daily to Monthly)
- b) Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.

- c) All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorized by the responsibility manager (removed as we no longer utilize manual requisitions)
- d) Items are subject to an inventory count on a Quarterly basis. (Amended from Monthly to quarterly)
- e) An inventory database must be maintained for all inventory items electronically. (Line was amended)

34. Contract Management Policy

- a) No changes have been made

35. Asset Management Policy

- a) Paragraph 3.1 included a statement that Asset Management Unit shall conduct asset verification quarterly on a rotational basis.
- b) Paragraph 4.2, page 15 of 65 amended to say Personal Assistants will be responsible for maintaining and managing departmental movable assets and other items not individually recorded in the Fixed Assets Register.
- c) Paragraph 5.2, page 16 amended to set a threshold for capitalization of assets.
- d) Section 9, page 28, amended to state that Heads of Departments are to ensure that a physical verification of movable assets in their departments is conducted and the results submitted to the Chief Finance officer.

36. Budget Virement Policy

- a) Section 3, Definitions, pages 5-6 amended to include mSCOA segments;
- b) Section 5, Virement Requirements, Paragraphs 5.6 to 5.15 and 5.17, pages 9 -10, included to improve control over the Virement process;
- c) Section 6, Operating Budget Virements, paragraphs 6.3.3.2, 6.3.5.3, 6.3.5.4 and 6.3.5.7, pages 11-12, were added to improve control over the Virement process;
- d) Section 7, Capital Budget Virements, Paragraphs 7.3 and 7.6, page 14 were added to to improve control over the Virement process;
- e) Section 8, Process and Accountability, Paragraphs 8.3 and 8.4.3 page 15, were added to update the reporting process and clarify the role of the Budget and Reporting Unit.
- f) Section 9, page 15 was included to stop virements after adjustment budget.

37. Credit control and debt management policy

- a) Application for municipal services and right of access to premises
- b) Payment facilities and methods
- c) Accounts, billing and metering
- d) Disputes, queries and complaints
- e) Agreement for the payment of arrears in installments
- f) Incentive discounts
- g) Uncollectable arrears/ irrecoverable debt/provision for doubtful debt
- h) Staff and Councilors in arrears
- i) Theft and fraud
- j) Building plans

38. Cash Management Banking and Investment Policy

- a) Amend the scope of the policy, Paragraph 3.1, to remove reference to a Municipal entity and Investment Manager and include Budget and reporting Manager and any person tasked with managing Municipal investments;
- b) Paragraph 5.10 to be removed as it is outdated.
- c) Paragraph 6.2.1 to be amended to remove overlap into the Credit Control and Debt Management policy;
- d) 6.2.4 and 6.2.5 to be removed to remove overlap into the Credit Control and Debt Management policy;
- e) Paragraph 7.6.1, amended to remove reference to Municipal Entity;
- f) Paragraph 7.6.2a and b, 10.4.1- remove reference to Accounting Officer of Municipal Entity;

39. Petty Cash Management Policy

- a) Each department will be limited to R2000.00 cash-float

40. Tariff Policy

- a) Newly developed policy

41. Assessment of Rates 2020/2021

- a) Rates will be levied in 12 equal installments commencing with the July 2020 billing with the final installment being raised in June 2021.
- b) Rates increase of 6.08% must be noted.

42. Property Rates Policy 2020/2021

- a) Section 19.8 - Due to COVID 19 that negatively impacted on accommodation sector, the B n Bs'/Guest Houses and Lodges' will be charged residential tariffs instead of commercial tariff for 2020-2021 financial year.
- b) Section 17: Criteria for qualification for rebate for categories of owners of property.
- c) Section 18: Rebates on developers who own property within the municipality

43. Property Rates By-Laws 2020/2021

- a) Newly developed By-Law

1. IMPLICATIONS

1.1 **LEGAL:** The abovementioned report has no legal implications attached to it and as such does not call for legal clarification. However, the implication of approval of this report is compliance to legislative requirements Section 16 (1), 17, and 18 of the MFMA

1.2 **PUBLIC RELATIONS :** Subsequent to approval by Council, the Annual budget will be publicised and be placed on municipality website in terms of sect 75 of the MFMA

2. COMMENTS BY OTHER HEAD OF DEPARTMENTS

2.1 CHIEF FINANCIAL OFFICER, as per the item.

2.2 DIRECTOR : PLANNING AND ECONOMIC SERVICES

2.3 DIRECTOR : COMMUNITY SERVICES

2.4 DIRECTOR : TECHNICAL SERVICES

3. RECOMMENDATIONS

3.1 It is recommended that the Council considers the Final Budget for 2020-2023.

3.2 The Council to approves the Medium Term Expenditure Framework for the 2020/21 to 2022/2023 financial year and the process followed in drafting the same as set out in the following tables:

- i. **TABLE A1:** Budget Summary
- ii. **TABLE A2:** Budgeted Financial Performance (Revenue and Expenditure by standard classification)
- iii. **TABLE A3:** Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)
- iv. **TABLE A4:** Budgeted Financial Performance (Revenue & Expenditure by source
- v. **TABLE A5:** Budgeted Capital Expenditure Budget by vote, standard classification and funding source
- vi. **TABLE A5:** Multi and single year capital appropriations by municipal vote and standard classification and associated funding source as contained in Table A5
- vii. **TABLE A6:** The financial position
- viii. **TABLE A7:** Cash flow budget.
- ix. **TABLE A8:** Cash Backed reserves/Accumulated Surplus reconciliation
- x. **TABLE A9:** Asset Management
- xi. **TABLE A10:** Basic Service Delivery Measurement

3.3 That the Council approves the below listed policies:

- 3.3.1 SCM Policy - amended
- 3.3.2 Procedure manual - new manual
- 3.3.3 Stores Management Policy - amended
- 3.3.4 Contract Management Policy - not amended
- 3.3.5 Asset Management Policy - amended
- 3.3.6 Budget Virement Policy - amended
- 3.3.7 Credit control and debt management policy - amended
- 3.3.8 Cash Management Banking and Investment Policy - amended
- 3.3.9 Petty Cash Management Policy – amended
- 3.3.10 Tariff Policy – new
- 3.3.11 Property Rates policy – amended
- 3.3.12 Property Rates By-laws – new

3.4 That the council approves the Assessment of Rates 2020/2021

3.5 That Council approves that the accounting officer ensure that the final budget tables as attached as annexures and other prescribed budget related documents be submitted to the National Treasury and the Provincial Treasury in both a signed document format and in electronic format, including posting the same on the website.

PREPARED BY:

MRS C. B. MKHIZE

CHIEF FINANCIAL OFFICER

DATE: _____

SUBMITTED BY:

MRS T. N. NGIBA

MUNICIPAL MANAGER

DATE: _____

Municipal Manager's Quality Certification

I, **THEOREEN NORAH NGOBA**, the **Municipal Manager** of the Umvoti Municipality, hereby certify that the Final Budget for the 2020/2021 financial year has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Theoreen Norah Ngiba

Municipal Manager of the Umvoti Municipality

Signature: _____

Date: _____